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ABSTRACT

A study was conducted to assess the extent of knowledge of the impact of illegal immigration on youth unemployment and to analyze its policy relevance. Data collection methods included source identification and review: interviews with theoreticians, scholars, and administrators: and coordination of information on illegal immigration impact with ongoing research and current events. Cata revealed that although little hard data exists on this impact and its interpretation is often contradictory, there is indirect evidence of such impact. Minority youth and illegal immigrant ages, skills, characteristics, geographic concentrations, and areas of employment are similar. However, there is evidence of dual labor markets for both groups within industries. Data on non-Mexican illegal immigrants in the urban North and East is particularly weak. Although youth labor force projections for 1985 indicate that youth population and youth unemployment will decline, racial minority youth population and unemployment will not similarly decline. Research is needed to clarify impacts of illegal aliens on racial minority youth, including analysis of residential survey data, case study of impacted industries and services, statistical studies, and futuristic policy criented studies of the impact of alien immigration on youth employment. (Two annotated bibliographies are appended.) (MN)

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FINAL REPORT

AN EXPLORATORY STUDY TO DETERMINE THE NEED FOR A PROGRAM OF RESEARCH ON THE POLICY IMPLICATIONS OF ILLEGAL IMMIGRATION FOR YOUTH EMPLOYMENT IN THE UNITED STATES

Submitted by

Arlene P. Scanlon, Ph.D.

with the assistance of

D. A. Lewis Associates

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15. Supplementary Notes

16. Abstracts The main objectives of this study are to assess the extent of knowledge of the impact of illegal immigration on youth unemployment and to analyze its policy relevance. In order to accomplish these objectives, three methods of data collection were employed: source identification and review; interviews with key theoreticians. scholars, and public administrators; and the coordination of information on the impact of illegal immigration on youth labor markets with on-going research and related current events. It was found that information on the impact of illegal alien immigration on youth unemployment is inadequate; very little "hard data" is available and its interpretation is often contradictory. There is indirect evidence of such impact. The age, skills characteristics, and geographic concentration of minority youth and illegal immigrants are similar, and they work in similar industries and services, but there is some evidence of dual labor markets for them within industries. Data on non-Mexican illegal immigrants in the cities of the North and East is particularly weak for analyzing their impact on youth labor market

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Projections of the youth labor force indicate that the youth population and youth unemploymen: will be in decline by 1985 and that there may be a labor shortage creating a demand for alien labor by that time. However, racial minority youth population and unemployment rates are not expected to decline in the same way. It is concluded that there is a need for a program of research to clarify the impacts of illegal alien workers on racial minority youth. The proposed research includes analysis of residential survey data, sample survey and case studio of impacted industries and services, statistica impact studies, and futuristic policy oriented studies of impacts of alien immigration on you: unemployment.

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Executive Summary

Title: An Exploratory Study to Determine the Need for a Program of Research on the Policy Implications of Illegal Emmigration for Youth Employment in the United States

Contract Number: J-9-M-8-0117

Author: Arlene P. Scanlon, Ph.D.

Performing Organization: D. A. Lewis Associates

Objectives: ° To review and document existing theoretical and methodological approaches

- ° To summarize empirical information
- ° To assess gaps in knowledge
- ° To present a program of research priorities
- To suggest policy implications for youth employment

Methodology: ° Source identification and review

- Development of selected annotated bibliography
- Interviews with key theoreticians, scholars, and public administrators
- Coordination with on-going research and related current events
- Synthesis of data from the above approaches in the development of final report.

Findings:

Information on the impact of illegal alien immigration on youth unemployment is inadequate; very little "hard data" is available, and its interpretation is often contradictory. There is indirect evidence of such impact. The age, skills characteristics, and geographic concentration of minority youth and illegal



immigrants are similar, and they work in similar industries and services, but there is some evidence of dual labor markets for them within industries. Data on non-Mexican illegal immigrants in the cities of the North and East is particularly weak for analyzing their impact on youth 1: rkets. Projections of the youth labor force indicate that youth population and youth unemployment will be in decline 1985 and there may be a labor shortage creating a demand for an allabor by that time. However, racial minority youth population and unemployment rates are not expected to decline in the same way.

Conclusions:

There is a need for a program of research to clarify the impacts of illegal alien workers on racial minority youth. The research proposed includes:

| Subject | Proposed Time of the Study | | Estimated Costs |
|--|---|------------|--------------------|
| Analysis of Residential Survey Data | 3-6 months (priority of study depends on current relevance) | | \$50,000. |
| Sample Survey and Case Studies of Impacted Industries and Services | 1-2 years | | \$200,000. |
| Statistical Impact Studies (adapting Chiswick's model) | 6-12 months | ? * | \$100,000 |
| Futural policy-oriented study of impacts | 3 months | | \$25,000 |



Recommendations:

It is recommended that every effort be expended to continue to develop a systems approach in future studies on youth unemployment funded by D. O. L.

A systems approach seeks to explore the relationship between trade, investment, energy, population, immigration and unemployment.

It is recommended the future studies and policies, as well as information from this study, be made available to the newly created Select Commission on Immigration; in order to foster inter-agency communication.



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CHAPTER I

NATURE AND PURPOSE OF THE STUDY

A. Objectives

Illegal immigration and youth unemployment are commonly viewed as two of our most intractable social problems. To what extent are they interrelated? This study seeks to establish the extent of our theoretical and empirical understanding of the relationships which exist between these two social phenomena. The analysis is made difficult by the fact that neither phenomena is static or has clearly definable boundaries.

Illegal immigration as a process can be distinguished theoretically from related legal immigration and legal temporary nonimmigration on the basis of their <u>de jure</u> status. In practice, however, there tends to be a blurring of the categories. People who enter illegally or temporarily as nonimmigrants (e.g., foreign visitors and students) frequently acquire legal status over time. The latter may enter legally and later become illegal. Illegal immigrants are commonly divided into EWI's(Entered Without Inspection) and visa abusers. Most illegal aliens from Mexico tend to be EWI's who enter temporarily and frequently. A considerable number (unknown percentage) of Central Americans are also EWI's. Most non-Mexican illegal aliens seem to be visa abusers who stay.



The impact of illegal aliens on the American labor market is a matter of contention, and probably varies according to the type of immigrants under consideration. Since available data on the labor market activities of illegal aliens supports the idea that illegal aliens are concentrated overwhelmingly in the secondary labor market, it is not surprising that many researchers and policymakers are concerned about competition between them and those Americans who traditionally have occupied those jobs--namely, minority and youth. Empirical evidence of direct competition between the two groups is hard to find in the literature, a fact which leads some researchers to question the degree to which competition in fact exists (see Cornelius: 1978, p. 58)

Youth unemployment is usually defined as referring to the population of 16-24 years of age, the years in which the school-to-work transition is usually accomplished. Youth unemployment is, in part, a function of the size of the youth population which is expected to decrease in the 1980's and 1990's following demographic trends. It also responds to the level of job creation and economic growth. The downturn of the economy of the 1970's, doubtless contributed to the high levels of youth unemployment of this period.

However, there is a structural component in the unemployed youth pool which does not respond directly to the aggregate demand; non-White teenagers have higher unemployment rates



independent of labor market conditions. Minimum-wage legislation is also cited in literature as a marked impediment to youth emp-loyment opportunities although it is not clear that dropping the minimum wage for youth would reverse substitution of undocumented aliens for youth.

Mechanization of agriculture and urbanization of formerly agricultural minorities have also affected youth unemployment, especially in view of deteriorating urban labor markets. Semiskilled manufacturing jobs have left the central cities in large numbers, reducing entry-level youth employments in the cities. Consequently, youth jobs tend to be highly unstable, low paid, and frequently part time. American youth change jobs more frequently than other youths although they acquire greater stability in the job market with increasing age and levels of skill and training.

tion, on the one hand, and youth unemployment, on the other, suggests that the relationships between the two phenomena (1) may change over time in response to a variety of factors and (2) tend to be specific to certain towns, regions, ethnic groups, and sectors of the economy. Youth unemployment is most likely to be related to illegal immigration in certain economic sectors and geographic regions because (1) there has been a shift of many manufacturing jobs to the Sunbelt and a concentration of both illegal aliens and minority youth in the



cities of the northeast and midwest and (2) the source of most jobs today is the service sector where low-paid jobs are open to both aliens and youth on a potentially competitive basis.

B. Policy Significance

The study of the impact of illegal immigration on youth employment is certainly timely. Jobs programs have recently been enacted for which regulations must be written. The immigration laws of the country are soon to undergo scrutiny by a Congressionally-authorized commission. The President's program, not acted on during the 95th Congress, will presumably be reintroduced in the 96th Congress which convened in January 1979. Relations with Mexico are being re-evaluated at high levels in the government, and bilateral policies on immigration, trade, and energy are being hammered out.

It is hoped that this study will be of relevance to decision-making on the four Presidential initiatives (curtailment of further immigration, adjustment of legal status or amnesty for illegals currently residing in the United States, sanctions against employers, and foreign assistance). The domestic implications of foreign policy shifts vis-a-vis Mexico will also be examined.

There are certain second-order implications of illegal immigration for youth employment which may be important but which are beyond the bounds of the current study. In this category are such effects as the following: the strain allegedly



placed on the educational system by school-age children of undocumented workers and the effects this may have indirectly on the employability of American students; the burden on income-maintenance and other public programs by young workers possibly displaced by illegal immigrants; and the human and economic costs of antisocial behavior engaged in by unemployed youth. Second-order effects have high policy-relevance and should be addressed by later studies.

C. Methodology

The goal of this exploratory study is to assess the extent of our knowledge of the impact of illegal immigration on youth employment and to analyze its policy relevance. The attainment of this goal called for the accomplishment of certain objectives:

- o To review and document existing theoretical and methodological approaches
- ° To summarize empirical information on the problems
- ° To assess the gaps in our knowledge of the problems
- o To present a program of research priorities, suggested time frames, and to address budgetary considerations
- o To suggest the policy implications of the study for youth employment programs

The questions which have guided this research are the following:



What do we know about the impact of undocumented-international workers on the youth labor markets in the United States?

Does the impact of undocumented foreign labor on American youth labor markets vary significantly by geographic region, by sector of the economy, by level of training, etc? If so, how and why?

What degree of correspondence is there between the skills of undocumented foreign workers, many of whom are youth, and the skills of unemployed and underemployed youths who are citizens and permanent residents of the U.S.?

Are minority youths or youths in economically-depressed areas, such as inner cities or rural pockets of poverty, especially affected? If so, how?

Does the outflow of the more employable workers from other countries, especially Mexico, affect the median wage levels for youth in the process of making the school-to-work transition?

What models of analysis and methodological approaches are available for understanding the relationships between illegal and massive immigration of foreign labor on the availability of employment opportunities for American youth?

How adequate and valid are these models and methodologies in terms of explaining available information and generating fruitful hypotheses for future research?

What, if any, are their different policy implications?



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What might be the policy implications for a program of youth employment of (a) a continued increase of undocumented foreign immigrant and migrant labor and (b) possible and recently-proposed changes in immigration policy with respect to the flow of foreign labor in the United States?

What is the need for a program of research above and beyond what constitutes our current theoretical and empirical knowledge of the above-mentioned problems?

In order to accomplish the objectives of the study, three methods of data collection were employed, namely:

The project staff sought to identify, analyze, and critically evaluate sources of relevant theories and empirical information on youth employment, labor economics and immigration topics bearing on the youth-labor-market implications of illegal immigration. An annotated selective bibliography of the youth-labor-market implications of illegal immigration was developed. We feel confident it contains virtually all key sources. The bibliography appears at the conclusion of this report as "Appendix A: Sources."

(2) Interviews.

Semi-structured interviews were held with key théoreticians, scholars, and public administrators to obtain the benefit of their knowledge and opinions concerning what is now known and not known regarding the implications of illegal immigration for



the employability of youth, particularly minority and disadwantaged youth, on a national and region-by-region basis. A list of the persons interviewed is presented in Appendix B. Appendix C contains the interview guide used with these persons. Interviews averaged about an hour in length.

(3) Coordination with On-going Research and Related Activities

An attempt has been made to gather information on the impact of illegal immigration on youth labor markets—where appropriate and feasible, from conferences and on-going research, where official clearances for sharing such activities and information could be obtained.

We have familiarized ourselves with the activities and publications of the National Commission for Manpower Policy and have reviewed project materials collected under our Management and Technical Assistance contract with I is S. We have also kept abreast of the activities of the Justice Department's Immigration task force, which was superseded on January, 1979 by a statutory Select Commission on Immigration. (These agencies have been reviewing the nation's immigration laws. Illegal immigration and its consequences is but one of the areas of inquiry.),

Many useful materials for this study were found in the collection D. A. Lewis Associates has assembled



in connection with the I N S contract, particularly unpublished notes from executive seminars sponsored by the Lewis firm and conducted by Mancur Olsen, of the University of Maryland, and F. Ray Marshall, then of the University of Texas, for I N S officials.

The data collected through the preceding three modes of inquiry were synthesized and are presented in the following chapters.

D. Limitations of the Study

The principal limitations to this analysis are:

(1) The Bibliography is Selective.

As an exploratory study, this report was not based on exhaustive review of the literature on illegal immigration and youth labor markets, which is virtually endless. It does, however, claim to be based on a comprehensive and representative review of the major literature. The selected annotated bibliography represents only the most pertinent studies reviewed by us.

(2) I N S Residential Survey Data Was Not Available For Study

At the time this exploratory study was undertaken, we anticipated that results of the Residential Survey would be available in time for use in this study. The Residential Survey, funded by the U.S. Immigration and Naturalization Services, was conducted



to obtain data primarily on the size and characteristics of the undocumented-alien population, also on their migration patterns, and, for selected social programs, their impact. The sample was 10,300 households in the twelve most populous States in which foreign-born residents were administered a detailed questionnaire. As Management and Technical Assistance contractor to I N S on the entire program of research on the undocumented-alien situation in the United States, D. A. Lewis Associates was to obtain data tapes from the Residential Survey data to findings from other recent research in order to prepare a report on what research has found which would inform decision-making on the four Presidential initiatives: prevention, adjustment of status, sanctions, and foreign assistance. With the permission of I N S, we hoped to be able to inject some of those data into this study. In the meantime, however, the Residential Survey has been cancelled. It remains to be seen whether responses from foreign-born citizens in the twelve most populous States will be prepared for computer analysis. The loss to this study is considerable. The Residential Survey is the only study to date which elicits from a statistically-valid sample of undocumented workers such characteristics data as age, whether they are working or looking for work, wages and hours, industry and type of work, and their reliance on income-



maintenance programs. The only significant drawback for the current investigation is that no question on motivation for illegal immigration survived in the final questionnaire so it will not be possible to reach conclusions concerning the degree to which persons who may be substitutes for youth labor are recruited to come here or come here for the sole purpose of competing for work in the secondary labor market. Anyone in the near future who pursues the subject of illegal immigration and youth unemployment should be aware of the possibility of obtaining extremely useful information from the Survey in the event its data are processed and made available to researchers outside I N S.

(3) In an exploratory study of this kind, it was not possible to collect original data or do extensive original analysis of primary sources of data. However, we do attempt to show what kinds of research data might help resolve certain problems of analysis and interpretation of data found in much of the scientific and policy-oriented literature.

1.1

CHAPTER II

FINDINGS: FACTS AND FANCY

A. Introduction

An exploratory study of the impact of illegal immigration on youth unemployment is constrained first of all by the fact of a lack of empirical data and interpretive studies <u>directly</u> bearing on the question under study. Most theoretical approaches to youth unemployment do not count immigration, legal or otherwise, as a major causal factor. (See below). The research and policy literature on illegal immigration does include considerable discussion of labor market impacts, real and assumed. However, virtually none of this literature specifically focuses on the possibility of impact on the youth labor market per se, although it does debate the impact of alien labor on minority employment. Youth unemployment is increasingly a minority problem, hence there is overlap of youth and minority unemployment.

Given the nature of the available studies bearing on the problem under consideration, it will be necessary to examine the theoretical and methodological approaches to each problem area separately, e.g., youth labor markets and unemployment, illegal immigration, and immigration and manpower studies, before attempting a summary of what is known and not known about the impact of illegal immigration on youth unemployment. Thus initially we have separated for analytic purposes only, questions about youth employment-unemployment from those concerning illegal immigration.



B. Perspectives on Youth Labor Markets and Youth Unemployment

Since the great depression of the 1930's, there has been much concern among theoretical economists about the causes of sustained unemployment. While debate previously ranged around questions of inadequate demand and structural unemployment, economists have more recently focused their analyses around three separate theories of unemployment. These theories are:

- (1) The job search, labor turnover theory
- (2) The theory of human capital
- (3) The dual labor market hypothesis

The job search, labor turnover theory is closely tied to the Phillips curve concept of the relationship between unemployment and inflation, and emphasizes the frictional aspects of the unemployment situation. This theory holds that unemployment exists because the market is inefficient in providing information. Both workers and businesses have limited information about opportunities in the labor market. Given the awareness of their limited knowledge, workers typically do not accept the first job offered, but continue the job search. Thus, unemployment is a form of investment by the worker in obtaining information about the job market. The solution, therefore, is to increase market efficiency reducing the frictions that exist through the provision of job-related information.

In the human capital approach, unemployment is viewed as the result of an inadequate investment in the development of human capital, especially in the case of disadvantaged workers. The



problem of unemployment is seen as being in the quality of the labor supply. Workers are perceived as lacking the necessary skills to fill the jobs available at the prevailing wage level. The solution, using this theory as a guide, is to provide additional training to make the skills of workers more closely aligned to the opportunities available in the job market.

The dual labor market theory is more of a sociological or institutional approach to labor market analysis than it is an economic one. It views the economy as being divided into primary and secondary sectors. The primary sector is the traditionally understood sector of good jobs and employment stability. contrast, the secondary sector is characterized by bad jobs, low wages, and little opportunity for advancement. Unemployment in the primary sector is a temporary phenomenon. In the secondary sector, it is more a way of life. In spite of pressures for a merging of the two sectors they remain separate for two basic reasons: first, legalized barriers such as licensing requirements and apprenticeship limitations and, second, discrimination. most commonly proposed solutions are to have the government more tightly control the behavior of the secondary sector to force it to look more like the primary sector (e.g., enforce antidiscrimination laws) and to push for a stable long-run expansionary economy (which would encourage employers to provide training and socialization to workers voluntarily).

Although none of these approaches is directly applicable to the analysis of the impact of illegal aliens on youth unemployment, they may have differential policy relevance for youth unemployment.



Concisely stated, the problem of doing research on youth unemployment is the difficulty obtaining precise and accurate data. There are, perhaps, two basic reasons for the difficulty -- the heterogeneity of youth as an employment category and the methodology used for determining unemployment rates.

In making any measurement, quantification is facilitated if the object(s) in question are homogeneous. To the extent that heterogeneity exists, the significance of measurement becomes debatable. For example -- and putting aside momentarily the difficulties inherent in the United States' approach to the determination of unemployment -- the measurement of unemployment of white males age 25 through 44 is relatively simple. This segment of the labor force is highly stable both in individual and in overall terms. The vast majority are in the labor force on a full-time basis as principal wage earners. There has been little change in this group in terms of its labor force participation rate or those who comprise the group for over a century. This stability makes it quite easy to analyze current unemployment and to make prediction about the impacts of potential changes in macroeconomic variables.

Stability does not exist to the same extent within the female labor market of the same age group, making prediction and, hence, policy decisions more difficult. Similarly, but to a far greater extent, the category of youth includes distinct subsets. The type of participation <u>desired</u> varies significantly among persons in the 16-24 age group, a condition that is <u>not</u> true



of the white male 25 through 44 group discussed previously. For most persons in the 16 through 25 year age group, employment experience is highly limited (for many, any job is a first job) and a series of commitments to family, other persons, and institutions (e.g., school) exist which limit the nature and extent of their desired participation in the job market. Any differences in the initial skill-set brought to the work place by inexperienced youth are also reflected in an individual's labor force participation (in both qualitative and quantitative senses). The type of work situation desired is highly dependent on external circumstances.

As examples of the type of sub-groups within the overall youth labor force, the following are illustrative,

- ° College students desiring --
 - Full-time employment during school year

 Part-time employment during school year

 Full-time employment during summer
- * High School students desiring --Full-time employment during summer Part-time employment during school year
- High School drop-outs desiring Full-time employment
 Occasional employment
- ° High School graduates with vocational training
- High School graduates without specific vocational training.



Teenage labor markets are casual and not well-organized. For the white male 25 through 44 years old, active labor force participation on a continuous basis is the norm; for the youth labor force, it is not. This group of potential workers enters and leaves the labor force frequently during the year. These transitions are fostered by both internal (to the individual) factors (e.g., schooling, the desire for free time, etc.) and external factors (the possibility of living with parents, the belief that work could not be found, even if actively sought). The net result is that youth unemployment figures reflect high rates of job turnover and are volatile in the extreme.

The unemployment rate of youth also varies by age, sex, and race (ethnicity). Unemployment rates for 16-17 year olds are the highest, decrease for 18-19 year olds, and are the lowest for 20-24 year olds. This presumably is a function of increased job experience as well as of the differing stages of the school to work transition. Male and female unemployment rates similarly differ among youth. Black and Hispanic youth, particularly in the central cities have much higher unemployment rates than white suburban youth.

In summary, the youth labor force is $\underline{\text{very}}$ heterogeneous, and tends to defy prediction for this reason.

The second major difficulty lies in the measurement of unemployment itself. The system used to determine unemployment in the United States measures the state of mind of individual workers as much as the employment registry they face. Our



unemployment (and hence employment) rate data have the following serious limitations: (a) they do not give any information on the people who drop out of the labor force by giving up the job search, <u>i.e.</u>, "discouraged workers"; 'b) collection methods, especially in rural areas, may be pood ond (c) they don't distinguish between frictional and structural unemployment, <u>i.e.</u>, between unemployment which is a function of aggregate demand.

At present, only broad summary information is available to researchers on the employment/unemployment rate of the youth labor force. Youth unemployment data are available as summary statistics for <u>most</u> states, but categorization by race and sex is frequently absent. Data are also available to a limited extent for the thirty largest Standard Metropolitan Statistical Areas (SMSA'S), but it is often difficult to obtain data finely enough detailed for particular use for policy and/or research purposes.

Despite the limitations of our unemployment statistics on youth, the existence and dimensions of a problem of youth unemployment have been known for several years. Commonly cited statistics include the following:

The "jobless rate" attempts to adjust the unemployment rate.

It estimates the per cent of the potential labor force without jobs.

Potential labor force - Employment

JOBLESS = Potential labor force x 100



- one half of all unemployed persons in this country who are seeking work are youths aged 16-24... yet youths make up only one-fourth of the labor force.
- current estimates of unemployment among black males, aged
 16 through 19 range around 45 per cent.
- In 1976 youth labor represented 24% of the labor force but 46% of unemployed, as was reported to the U.S. Congressional Budget office. A further division of youth into sub-categories revealed the following unemployment rates:

high school drop-outs

23% unemployed
high school graduates who have
not completed and are not attending a four year college

43% unemployed

college graduates, many of whom are making a permanent transition from school to work 3% unemployed youth whose major activity is attending school 31% unemployed

Youth employment responds to aggregate demand. When tight labor markets generate a shortage of primary workers, youth are then chosen from the queue. This does not occur during a loose labor market since youth tend to be expensive as preferred workers. Most often training programs for youth must be implemented at the company's expense, and once trained, youth command higher wages.

When there is an increase in the overall aggregate demand there is also an increase in youth employment, but youth unem-



ployment is not simply a by-product of adult unemployment and low aggregate demand. The work attributes of teenagers are sufficiently differentiated to warrant classifying them as a separate and non-versatile productive factor. The employment opportunities for youth depend almost exclusively on changes in demand for teenage-intensive products and services. A few studies (Kalacheck, 1969, and Adams, et al, 1978) have shown that while holding the adult market conditions constant, teenage participation responds only to the substitution effect. The lack of experience and/or skills of youth in comparison to adults is sufficient to result in their higher unemployment rate.

Other factors operate to make youth unemployment higher in relation to adult unemployment. Youth lack systematic information about the job market, a fact which results in higher than average frictional unemployment. Minimum wage laws seem to operate to discourage employers from employing less productive young workers. Self-imposed limitations on time for work (parttime and seasonal) act to limit employment opportunity for youth. Also youth aspirations are often high while their skills are low; thus, they may be unwilling to take low-wage, deadend jobs which offer no apparent career ladder (Wachter, 1978).

Until quite recently, teenage unemployment was commonly viewed as basically a transitional phenomena. In the transition from school to work, individual youth made a gradual move from full-time schooling, through a series of temporary jobs-to-full employment (National Commission for Manpower Policy, 1976). As long as aggregate demand remained high, the situation was considered stable and within acceptable limits. However, public

and governmental opinion has been awakened to a greater concern for youth unemployment in the last several years.

Youth unemployment, if chronic, may be more than a transitional phenomenon. Adverse early labor market experiences seem to be correlated to subsequent adverse experience (Adams et al., 1978). Youthful workers gain valuable training and experience by their early participation in the labor market. Lack of positive early experience in the job market may lead to sustained joblessness in adulthood. Such sustained joblessness among youth is concentrated among racial minority youth.

The unemployment rate for youth has mounted significantly since the turn of the century. A few of the major causes are: changes in our society from agricultural to industrial; increased school attendance, changed incentives and costs and a transition from self-employment to wage and salary employment (Kalachek 1969).

Several factors also conspired to aggravate the youth unemployment problem during the 1960's and 1970's. The postwar baby boom swelled the numbers of new entrants into the labor market by the deepest recession in forty years, and the downward trend of the economy negatively affected the creation of jobs. The military's manpower needs had acted to absorb youth labor during the late 1960's; following the cutback in Vietnam, this no longer occured.

The extension of minimum wage legislation to areas of youth employment in the late 1960's and the rises in the minimum wage in this decade have also discouraged the employment of youth.



The concentration of youth unemployment among racial minorities in urban ghettos is a complex phenomenon with multiple roots. The accelerated mechanization of farming reduced rural employment opportunities and caused significant migration of southern rural bracks and Puerto Ricans to the northern cities, and of rural Mexican-Americans to urban centers. This migration of minority peoples to the inner cities occured as urban labor markets began to deteriorate with the exodus of industry to suburb and Sunbelt.

The geographic concentration of non-white teenagers has also been caused by a rapid increase in their number that will continue while population growth of white youth diminishes.

The non-white to white ratio of teenagers unemployed has been rapidly rising since 1954. Racially discriminatory practices in private industry are reflected in the inadequate growth of non-white labor between 1955 and 1967. As the white teenage labor force during that period grew by 59.8% and white teenage employment by 58.5%, the non-white teenage labor force grew by 55.8% but their employment increased by onl6 36.4% (Kalachek, 1969).

³Department of Labor did not make distinctions in color on employment, unemployment and labor force prior to 1954. This should be considered when reviewing the statistical information before this time period.



²Collection proced res also tend to bias unemployment rates in favor of urban youths, since a member of a farm family is less likely to be counted as unemployed.

Along with discriminatory factors, most theorists have cited gaps between non-white and white youth's quality and quantity of educational experiences. The educational process usually alienates inner-city youth, as demonstrated in high absenteeism and high dropout rates, which often pushes them into becoming involved with Minority youths exhibit reduced willingness criminal activities. to take deadend jobs available in the urban areas; a pattern of high aspirations and low skills leads to high levels of frustration. Lack of informal information about jobs outside the city restricts the opportunities for available employment. The innercity teenager frequently must depend on public transportation which is costly, time-consuming and usually poorly serviced. A review of principal theories of causes and consequences reveals that competition from immigrant labor (legal or illegal) is not given much weight in most theories of youth unemployment. Neither is it discounted, rather it is usually ignored. Theories and policies of youth unemployment and policy initiatives deriving from them are classifiable into macro and micro approaches.

The macro approach emphasizes the stimulation of aggregate demand as a means of reducing unemployment (usually through fiscal policy). A macro approach quickly brings into focus a projected decline in the availability of youth labor in the 1980's and thereafter, which would gradually eliminate much of the problem of youth unemployment. While this will hold true for the overall youth population there will be significant differences between races in this period. The white population boom which began earlier and declined more rapidly than the black population



boom will yield a significantly larger relative decline. In fact, the black teenage population is expected to continue to increase for at least the next decade. Thus, we are left with two conclusions: the youth unemployment problem is in some sense self-correcting but the problem of non-white youth unemployment is likely to persist and even become more difficult.

The less global policy approaches to youth unemployment tend to focus on those aspects of youth, especially non-white, inner-city youth, which lessen their employability. They include:

- (1) providing job information to in- and out-of-school youth in the hope of reducing frictional unemployment.
- (2) upgrading education, skills and job experience through vocational training, adult education, work-study and apprenticeships. The goal is to increase the marketable skills of so-called unemployable inner-city youth to qualify them for entry-level rather than deadend jobs.
- (3) enforcement of existing legislation, especially against racial discrimination in apprenticeships, job training programs, etc.
- (4) Creation of jobs in the public sector and/or job restructuring and development tends to be more difficult since employer incentives are usually lacking. There is some evidence, however, that employer incentives such as dual minimum wage, payroll tax reductions, etc. might prove effective. Incentives for work-sharing plans which

would create more part-time jobs are also being considered for their implications for youth employment policies. (U.S. Congressional Budget Office, 1976, both reports)

C. Perspectives on Illegal Immigration

The literature on illegal immigration is extensive. The questions upon which research and policy-oriented literature is based include a concern for their impact on the labor market, but are much more broadly based. The principal themes are:

- of illegal aliens apprehended in the United States since 1965? (Are they primarily <u>push</u> or <u>pull</u> factors?)
- o To what extent do increased apprehension statistics (from the Immigration and Naturalization Service) reflect increased flow of aliens into the country vs. stepped-up enforcement efforts?
- o Is the immigration of alien workers permanent or temporary? How long do they stay?
- What is the magnitude of illegal immigration? Under what conditions does it wax or wane?
- What are the intergenerational effects of permanent immigration? The long-term effects on population and ecology?
- On illegal immigrants compete for jobs directly with Americans? Do they depress, over-the-long-term wages and working conditions in the sector of the labor market in which they are found? Does the employment of aliens



lead to the evolution of work situations which are only attractive to alien workers?

- Ones a simple supply and demand model explain the apparent need and/or preference for immigrant workers?
- What are the policy alternatives? What should be done?

Before attempting to summarize what is known about the answers to these questions, it is worthwhile to comment on the nature of the data base on illegal immigration in the United States. Despite the large amount of literature generated on the topic, much of what is assumed to be commonly acknlowledged fact is highly controversial both as a research and as a policy topic, and is perhaps classifiable as a fancy! The economic impact of illegal immigrants in the United States is usually analyzed in relation to:

- (1) labor market impacts,
- (2) effects on public service and benefit programs, and
- (3) effect on the balance of payments on money sent out of the country.

Unfortunately for the purposes of this study, much of the material dealing with labor market impacts and effects on public programs

⁴It is helpful to conceive of much of the literature, including the research studies, as policy advocacy of one of two types: (a) restrictionists who argue that the illegal immigration flow is in some sense detrimental to this country and should be halted sooner or later, and (b) open-border advocates who see such immigration as beyond control and/or not particularly harmful to the interests of the United States.



has little solid data behind it, since efforts at original data collection have been relatively few and much of the reasoning is based on estimates.

The main source of statistics on illegal immigrants is so-called "apprehension data" (i.e., data on illegals caught and sent home by the Immigration and Naturalization Service. See Tables 1 and 2). These data have been transformed by various statistical procedures into estimates from 3 million to 12 million workers. The most widely accepted figure is 8 million, an estimate by Lesko Associates for the Immigration and Naturalization Service in 1975. Slightly more than 5 million of these persons were considered to be Mexican. Estimates of the percentage of illegals who are Mexican nationals range from sixty to ninety percent (Domestic Council Committee on Illegal Aliens Report, Dec. 1976, p. 133). The principal problem with such estimates of the size and composition of the illegal immigrant problem is the limitation of the apprehension data themselves:

- (1) Rates of apprehension count apprehensions rather than persons. The same person may, in fact, make multiple entries, especially in the case of Mexicans.
- (2) The figures, to an undetermined extent, reflect the priorities of the Immigration and Naturalization Service in concentrating its manpower along the Mexican-American border, and the fact that "in the northern and eastern cities the illegal alien is typically a former temporary visitor who has over-

TABLE 1
DEPORTABLE ALIENS LOCATED, FISCAL YEARS 1966-75

| Total | Mexican | Mexican as percent of total |
|---------|---------|-----------------------------------|
| 138,520 | 89,751 | 65 |
| 161,608 | 108,327 | 67 |
| 212,057 | 151,705 | 72 |
| 283,557 | 201,636 | 71 |
| 345,353 | 277,377 | 80 |
| 420,126 | 348,178 | 83 |
| 505,949 | 430,213 | 85 · |
| 655,968 | 576,823 | 88 |
| 788,145 | 709,959 | 90 |
| 766,600 | 680,392 | 89 |

e: U.S. Immigration and Naturalization Service Annual Reports, fiscal years 1966-75.

36



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TABLE 2
MAJOR ILLEGAL ALIEN SOURCE COUNTRIES

| ntry | Population Estimate And-1976 (millions) | Rate of Population growth (annual percent) | Number of years to double population | Population projection to 2000 (millions) | Population under 15 yr.(percent) | Urban population (percent) | Per capita gross national product | |
|-------------|--|--|---|--|--|----------------------------------|--|-----|
| ference) | 215.3 | 0.8 | 87 | 262.5 | 27 | 74 | \$6,640 | _ |
| | 62.3 | 3.5 | 20 | 134.4 | 46 | 61 | 1,000 | = |
| an Republic | 4.8 | 3.0 | 23 | 10.8 | 48 | 40 | 590 | . * |
| | 4.6 | 1.6 | 43 | 7.1 | 41 | 20 | 140 | 30 |
| | 2.1 | 1.9 | 36 | 2.8 | 46 | 37 | 1,140 | _ |
| la | 5.7 | 2.8 | 25 | 11.1 | 44 | 34 | 570 | |
| a · | 23.0 | 3.2 | 22 | 44.3 | 46 | 64 | 510 | |
| | 16.0 | 2.9 | 24 | 30.9 | 44 | 60 | 710 | |
| | 6.9 | 3.2 | 22 | 14.0 | 47 | 39 | 460 | |
| i nes | 44.0 | 3.0 | 23 | 86.3 | 43 | 32 | 310 | |
| | 34.8 | 2.0 | 35 | 52.3 | 40 | 41 | 470 | |
| d | 43.3 | 2.5 | 28 | 86.0 | 45 | 13 | 300 | |
| | 9.0 | .4 | 173 | 9.7 | 25 | 53 | 1,970 | |
| | 620.7 | 2.0 | 35 | 1,051.4 | 40 | 20 | 130 | ٠ |
| | 34.1 | 3.0 | 23 | 67.0 | 47 | 43 | 1,060 | |
| | 64.7 | 2.7 | 26 | 135.1 | 45 | 16 | 240 3 | 33 |

Domestic Council Committee on Illegal Aliens Report (December 1976), p. 46. Population data: ion Reference Bureau, Washington, D. C.



stayed his time, or who has violated his visitor status by taking a job. He also assimilates much more easily into the population at large and is more difficult to detect and more expensive to detain and expel." According to North and Houstoun, the enforcement priorities of the I N S in the Southwestern region probably account for the fact that the number of apprehensions of illegals from the Eastern Hemisphere and from Canade have remained virtually unchanged. 6

(3) No count is included of emigration, or return migration. Yet there is evidence that much of the migration from Mexico is temporary in nature -- to what extent is a matter of dispute. Wayne Cornelius, a leading expert on Mexican migration who has accumulated detailed census data from sending communities in Mexico writes:

"The Justice Department cites no empirical evidence to support its claim of a 33% permanent



⁵Cited on page 7 in <u>Illegal Aliens: Analysis and Background</u>, June, 1977 from U.S. Congress. House Committee on the Judiciary. Illegal Aliens. Hearings, 94th Congress, 1st session on H.R. 982 and related bills. Serial No. 8. Washington, U.S. Government Printing Office, 1975, p. 111

⁶Cited on page 7 in <u>Illegal Aliens: Analysis and Background</u>, June, 1977, from North and Houstoun, March 1976.

settlement rate among Mexican illegals. To be able to make such a determination with any degree of statistical reliability one would need to know, for a given universe of people or families, how many members of this universe migrated to the U.S. and how many returned to Mexico over a substantial period of time. kind of information can only be gleaned from highly detailed family migration histories, preferably in the migrants' places of origin. This was the methodology employed to investigate this question in my own study. (Footnote: I am not aware of any other data set currently available which permits reliable estimation of the permanent settlement rate. I must therefore conclude that the figure cited by the Justice Department is yet another official 'quesstimate' with no hard evidential basis.) I found that among families with some history of migration to the U.S. (about half of all families represented in the sample), temporary migrants to the U.S. outnumbered those who settled permanently in the U.S. by a margin of 8 to 1 during the period from 1930 to 1976. And 42% of those persons with a history of temporary migration to the U.S. had gone--and returned--at least twice.



inversely with proximity to the border: the farther he is from the border, the less likely the migrant is to remain in the U.S. permanently. All field studies done in Mexican sending communities during the past 12 years have found that the pattern of emigration to the U.S. remains heavily temporary rather than permanent."

(Cornelius, 1978, p. 25)

Cornelius also argues quite cogently that the Lesko Associates estimate of 5.2 million illegal Mexicans in 1975 was excessively high by several millions. He prefers the estimate of 82,000-130,000 illegal Mexican permanent immigrants a year. 7

(4) There is very little information available on the dimensions and sources on non-Mexican illegal entries. The main exception is the I N S Fraudulent Entrants Study (September 1976). It would seem clear that the nation of origin distribution of illegal immigrants to the U.S. is widening and includes increasing numbers of people from the Caribbean and from Central and South America. Only 17% of the 185 malafide applicants denied entry at U.S. airports

figure is an estimate of <u>net</u> flow of Mexicans migrating nently to the United States which was developed using from the U.S. Bureau of the Census by David Heer. See lius, 1978, p. 13.)



were from Europe; the Dominican Republic was the largest source (27), followed closely by Mexico (25), Haiti (21), and Jamaica (20).

Studies on the personal characteristics of illegal aliens suffer to a lesser extent than estimates of the magnitude of the illegal population from the limitations of I N S apprehension data. The biggest single deficiency here is in the tendency of some of the literature to over-generalize the characteristics of the apprehended Mexican illegal to the total unapprehended illegal population. Nevertheless, our information on the motivation, characteristics and activities of illegals is better than that on their numbers and distribution. Mexicans and non-Mexicans must be separately discussed.

"Internally consistent data fromindependent studies 8 suggest that Mexican illegal aliens are:

- (1) young adults, predominantly but not exclusively,male,
- (2) badly educated,
- (3) primarily, but by no means entirely, farmworkers from rural areas of Mexico,

Studies cited are: (a) David North and Marion Houstoun, "A Summary of Recent Data on and Some of the Public Policy Implications of Illegal Immigration," in Illegal Aliens: An Assessment of the Issues, National Council on Employment Policy, October 1976., (b) Julian Samora, Los Mojados: The Wetback Story, Notre Dame, University of Notre Dame, 1971, (c) Mexican Government survey, "Resultados de la Encuesta Realizada por la Comision Emigracion Subrepticia de Trabjadores Mexicanos a Estados Unidos de America," and (d) Wayne A. Cornelius, "Mexican Migration to the United States: The View from Rural Sending Communities (April, 1976).

- (4) economically motivated.
- (5) employed at or near the bottom of the U.S. labor market, <u>i.e.</u>, generally low pay, low status, and low skilled workers, and
 - (6) likely to send a significant proportion of their

 U. S.-earned income to dependents in their homeland.

 The average age recorded for the different study groups was 27-28. Men were heavily predominant in all but the fraudulent entry study, which showed more than half of the 716 fraudulent entrants at the Mexican border to be women. The great majority of the illegal Mexican aliens in study groups had less than six years of schooling."
 - (U. S. Congress, House Committee on the Judiciary, Committee Print No. 5, June 1977).

Non-Mexican illegal workers are more likely than Mexicans to be permanent immigrants, to come with or bring their families, to migrate to Northern and Eastern urban areas, to earn higher wages and work in the industrial and service sectors. They are about the same average age as the Mexicans, but likely to be better educated. In the data reviewed by North and Houstoun (October 1976) Mexicans averaged 4.9 years of schooling and 76.4% did not speak English. Western Hemisphere aliens had an average of 8.7 years of school, with 53.2% not speaking English. Eastern Hemisphere aliens had an average of 11.9 years of school and the lowest percentage of non-English speaking persons (16.2%).



D. Perspectives on Manpower and Immigration

It is heuristically valuable to conceive of what has been written on illegal immigration and its impact on the labor market, even the research studies, as being structured in terms of a concern with policy advocacy. The policies advocated can be roughly classified by restrictionist vs. open-border positions. Restrictionists -- those who favor measures to reduce the flow of illegal/total immigration -- disagree as to what measures should be employed and within what time frame. However, they tend to concur in their analyses of the (negative) impacts of uncontrolled, illegal immigration on U.S. society. Of particular concern is the presumed impact on the labor market for U. S. workers, particularly minority workers. Open-border advocates favor the legalization of the illegal migration but do not favor attempts to eliminate the influx, especially over the short run. They usually agree that the negative impacts on U. S. society and the labor market are minimal, that there is a need for alien unskilled labor, or may be in the future, given the changing demographic profile of the United States. Open-border advocates differ somewhat in the factors they emphasize in their analysis of labor market impacts.

Both 'restrictionists and open-border advocates" include persons with a concern for understanding the labor market impact of illegal alien workers in terms of an international economic system. (See Appendix B.)



"Restrictionist" Models of the Labor Market Impact of illegal Immigration.

The principle underlying the Restrictionist position is the operation of laws of supply and demand for the impact of the primary determinants of illegal immigration to the United States

This position includes the following elements:

- a. Data on the impacts of illegal alien immigration are inadequate because of the difficulties of doing research on a clandestine population. However, the available evidence suggests that the primary impact of illegal aliens is on the labor market. They may impact the labor market over the short-term by directly competing with American workers, especially racial minorities (Blacks and Hispanics), in the secondary labor market (<u>i.e.</u>, dead-end, low-paid, low-skill jobs. Even when they don't compete directly they have the long term effect of depressing wages and working conditions in occupations in which they are found in considerable numbers. The major impact is on the disadvantaged, including teenagers.
- b. Most of the data upon which this model is based is primarily based on Mexican illegals. Most experts would concede that the labor-market impact of non-Mexicans is probably different, but the data on this population is so inadequate that it is difficult to generalize. (Interview with Vernon Briggs, Jr.)



- c. The North and Houston study (1976) is one of the most systematic studies to present data supporting this model. This study used regional sampling of I N S apprehension data to compensate for the bias resulting from the concentration of I N S resources along the border. Wage data collected showed that illegal workers earned less than their U. S. counterparts:

 i.e., an average of \$2.66/hr. for illegal workers compared to \$4.47/hr. for legal U. S. workers. Average hourly wage rates differed according to the aliens' region of origin and of U. S. employment: Mexicans earned an average of \$2.34/hr., Western Hemisphere aliens \$3.05/hr., and Eastern Hemisphere aliens \$4.08/hr.; similarly, illegals in the Southwest averaged \$1.98/hr., in California they averaged \$2.60, in the Midwest and Northwest #3.18/hr., and on the East Coast \$3.29/hr.
- d. Restrictionists tend to put primary emphasis on pull factors as determinants of illegal immigration, although they generally recognize overpopulation and underdevelopment in modernizing countries as being important push factors. Aliens come, they argue, because there is work available here to them at wages which are high by the standards of their own country. Employers hire them, the argument continues, because they are productuve, motivated, inexpensive workers who are easily

⁸The key industries in which illegal aliens have been found to concentrate are agriculture and food processing, domestic work, hotels and motels, restaurants and fast-food places, resorts, and low wage manufacture.



exploitable and highly dependable because they work "hard and scared."

- e. Restrictionists also see the secondary negative impacts in the United States as including: the creation of a "permanent" underclass contradictory to the values of American democracy, overpopulation and overutilization of scarce resources, and a consequent decline in the quality of life, (Huss and Wirken, April 1977), and a drain (to a greater or lesser extent) of public services such as hospitals, schools, and income transfer programs.
- f. A stage model of worker migration has also been employed by Ray Marshall to project the impact of illegal aliens into the future of the United States (National Council on Employment Policy, October 1976, pp. 56-61). This is a theoretical model of migration, based on historical patterns of worker migration in many countries, including our own.

This model states that workers move from countries with relative labor surpluses into countries that lack workers in sufficient numbers with desired skills and characteristics. The movement occurs in phases: In the first phases, young unmarried adults migrate temporarily in search of work. They tend to stimulate the flow of others from their home communities. In phase two, married men come, and the rate of return migration to the home country declines. They are followed by their families in phase three as the men's stay lengthens. The migrant process becomes self-sustaining, and immigrant



workers penetrate additional sectors of the labor market.

The fourth phase in the immigration process is characterized by the immigration of a supporting population.

- g. Sending countries use illegal immigration to the United

 States as a safety valve for their social problems -- overpopulation, underdevelopment, and corrupt governments.

 Stopping the flow of illegal aliens will force them to carry out needed social and economic reforms.
- "While illegal immigration has some short-run benefits to h. the immigrants and their employers, these are outweighed by the costs to society and particularly to the less advantaged groups at the economic margin." (National Council on Employment Policy, October, 1976, p. 2). Policy initiatives have have to be based on understanding the forces of migration as well as dynamics and patterns of geographic and occupational mobility. Ray Marshall writes: "If ever a 'systems approach' is needed in addressing a problem, this is the case relative to illegal immigration. It is necessary to consider conditions in the supplying countries, the motivations and goals of immigrants, the methods of illegal immigration, our nation's laws and their enforcement mechanisms, the needs of our economy, the evolving processes illegal immigration and economic dependence on illegals, the effects on other workers and on our social system, as well as the second and third generation results. While basically economic factors are manifested in the push and pull behind the population movements, the social,



political and psychological dimensions are also critically important." (National Council on Employment Policy, October 1976, p. 21).

- i. The policy recommendations flowing from the "restrictionist" position are:
 - (1) revision of immigration law in keeping with the <u>real</u> needs of the U. S. labor market for different types of alien workers,
 - (2) strict enforcement of immigration law, and tighter border controls and more funding for I N S enforcement personnel,
 - (3) employer penalties for those who knowingly hire illegal aliens. To be effective, some argue, it would be necessary to institute a national worker identification card.

The impact of such policies on the job market, advocates argue, would be to open at least some jobs to American workers, forcing employers to raise wages to attract them, or to mechanize or rationalize the job to increase productive efficiency.

"Open-Border" Models of the Labor Market Impact of Illegal Immigration

Advocates of an "open-border" position reject much of the reasoning of the restrictionists. Their fundamental point of difference would seem to be their argument that the American economy generates a certain number of jobs -- low-paid, low-status,



dead-end jobs that American workers are reluctant to accept because they have higher aspirations and other alternatives (e.g., unemployment insurance, welfare, schooling). (Cornelius, 1976, 1978; Piore, 1975).

This "secondary labor market" exists in industry as well as agriculture and services; it was previously filled by immigrants from southern and eastern Europe, Chinese, Japanese and Philippinos, and U. S. born Blacks from the rural South. In the United States the number of such jobs has not declined in recent decades. The "open-border" advocates point out that the industries in which illegal aliens are employed tend to be marginal, and they argue that if alien labor were not available, many would be forced out of business, thus reducing the number of jobs available to American workers in marginal industries. They point out that local level case studies fail to demonstrate the existence of job displacement.

Cornelius recognizes that his own data is only suggestive but says that data is too fragmentary to permit a definitive answer to the question of whether illegal migration "creates unemployment." He points out that "If illegal migration from Mexico were decreasing job opportunities for a significant number of American workers -- either directly or indirectly -- it follows that unemployment rates should be higher in those parts of the country having large concentrations of Mexican illegals, and lower in areas with few illegals. Of course, this is not the case: some of the lowest unemployment rates in the United States



TABLE 3

UNEMPLOYMENT IN THE U. S. AND IN MAJOR LABOR AREAS
HIGHLY AFFECTED BY MEXICAN MIGRATION, 1968-1977

| | Unemployment rate* | | |
|---------------------|--------------------|--------------------------------|--|
| <u>Year</u> | United States | "High impact" labor areas** | |
| 1968 | 3.6% | 3.0% | |
| 1969 | 3.5 | 3.1 | |
| 1970 | 4.9 | 5.2 | |
| 1971 | 5.9 | 6.1 | |
| 1972 | 5.6 | 5.3 | |
| 1973 | 4.9 | 4.8 | |
| 1974 | 5.6 | 5.2 | |
| 1975 | 8.5 | 7.5 | |
| 1976 | 7.7 | . 7 3 | |
| 1977 | 7.0 | 6.7 | |
| 1968-1977 (average) | 5.7 | 5.4 | |

^{*}Unemployed as percent of total labor force. Sources: U. S. Department of Labor and U. S. Department of Health, Education and Welfare, Employment and Training Report of the President, 1977, Table D-8, pp. 246-248; U. S. Department of Labor, Manpower Report of the President, 1969, Table D-8, pp. 284-286; Monthly Labor Review, March, 1978, Table 1, p. 63.

^{**}Unemployment rate averaged across the following labor areas (as defined by the U. S. Department of Labor): Los Angeles-Long Beach, California; Anaheim-Santa Ana-Garden Grove, California; San Diego, California; Dallas, Texas; Fort Worth, Texas (data combined for Dallas Fort Worth labor area since 1974); Houston, Texas; San Antonio, Texas; Oklahoma City, Oklahoma; and Chicago, Illinois.



TABLE 4
WAGE EXPLOITATION OF MEXICAN MIGRANTS
IN THE UNITED STATES, 1942-1976*

| | Period of most recent U. S. work experience | | | | |
|-------------------------------------|---|---------|---------|---------|---------|
| most recent work period in the U.S. | 1942-54 | 1955-64 | 1965-68 | 1969-76 | 1976 on |
| Less than minimum wage: | 32.7% | 42.0% | 33.3% | 30.1% | 26.9% |
| Minimum Wage or higher: | 67 . 3 | 57.0 | 66.7 | 69.9 | 73.1 |

^{*}Source: Author's survey in rural Jalisco. All types of U. S.-bound migrants are included in the table (legal and illegal immigrants, and "bracero" contract laborers). Among illegal immigrants only, during the 1969-1976 period, 31% reported receiving less than the minimum wage (28.6% in the most recent year, 1976, only).

From: Cornelius, Wayne A. <u>Mexican Migration to the United States</u>: <u>Causes, Consequence and U. S. Responses</u>, 1978.



Cornelius (1978, p. 57) cites five different studies done during the 1973-1977 period to show that Mexican illegals have stayed ahead of mandated increases in the United States min.mum wage:

| Average earnings per hours (U.S.\$) | Year of data collection | Composition of sample | Author and year of publication |
|-------------------------------------|----------------------------|---|---|
| \$1.88 - \$3.75 | 1973 | Nurserymen and gar- bage collectors from one Mexican village, in the San Francisco Bay area | Zarrugh (1974) |
| \$2.33 | 1975 | Apprehended Mexican illegals who had been working in many different U.S. localities | North & Houstoun (1976) |
| \$2.36 | 1976 | Mexican illegals apprehended in San Diego Co. | Villalpando, et.al. (1977) |
| \$2.50 | 1976 | Returned Mexican illegals (most unapprehended) who had worked in U.S. in 1976, interviewed in rural Jalisco | Cornelius (unpub- lished field re- search data) |
| \$2.77 | 1977 | Unapprehended Mexican illegals working in Orange Co., California | Orange County Task Force (1978) |

Cornelius continues to argue that illegals are not paid less than legal co-workers for the same kind of work. Cornelius' data indicates that differences between legal and illegal migrants can be explained by greater age, education, English language competence and greater work experience. To the extent that



are found in the 'Sunbelt' areas having the largest concentration of illegal Mexican migrants. ... the unemployment rate in eight of the labor markets most heavily affected by Mexican migration has been <u>lower</u> than the national unemployment rate -- during a period in which the volume of illegal Mexican migration (as indicated by I N S apprehensions) was increasing at an average annual rate. Nationwide, there seems to be virtually no correlation between numbers of illegal migrants and the levels of unemployment." (Cornelius, 1978, p. 58).

They argue that local-level case studies have also failed to demonstrate the existence of significant job displacement:

"A detailed study of Mexican illegals' participation in the job market of the San Antonio metropolitan area reported:

"Mexican illegal aliens in no way compete with or displace workers in the primary [skilled] labor market. In the secondary [low-skilled] labor market, where they work alongside blacks and Chicanos, illegals usually represent an additional supply of laborBlacks and Mexican-Americans worked in similar industries but in basically different jobs....For example, in a typical small construction firm, the Mexican illegal aliens worked as laborers while the Mexican-Americans and blacks had jobs as craftsmen. In a manufacturing industry such as meatpacking, the illegals worked in occupations that Mexican-Americans and blacks shunned because of dirty working conditions." (Cardenas, 1976: 68-69).

exploitation of Mexican illegals occurs, Cornelius attributes it to conditions of employment in agriculture per se (1978, p. 60-61):

"If, in fact, the presence of Mexican illegals in the job market has such a depressing effect on wage levels that domestic workers are discouraged from seeking such jobs an end up on the unemployment or welfare rolls, then we would be far more likely to find this process occurring in rural areas -- and especially rural areas in Texas -- than in th principal cities of the country, where most Mexican illega are now employed. Wage exploitation of Mexican workers seems to be practiced on a far wider scale in the huge agr business enterprises of South Texas than in any other sect of the United States economy where large numbers of Mexica illegals are still employed. But the situation in rural border counties is hardly representative of the rest of the country, particularly the big cities of California and the Mid-West."



TABLE 5

WAGES RECEIVED DURING MOST RECENT TRIP TO THE UNITED STATES, AMONG MEXICAN ILLEGAL MIGRANTS, BY PLACE OF EMPLOYMENT

| | Wage rate received | | | |
|---|------------------------------|--------------------|--|--|
| Location of U.S. place or Employment | Less than legal minimum wage | Legal m wage or | | |
| Rural Texas | 67.2% | 32. | | |
| Urban Texas | 52.1 | 47. | | |
| Rural California | 23.9 | 76. | | |
| Urban California | 18.1 | 81. | | |
| Illinois (rural and urban places | 0.0 | 100. | | |
| Other | 21.7 | 78. | | |

Source: Author's sample survey of Jalisco migrants, 1976. (Wayne Cornelius, 1978).

Other points in the "open-border position" include:

- (a) illegal immigration seems to respond to our labor market needs, but they also stimulate demand, and hence economic growth.
- (b) Mexican migrant labor has been historically a temporary l migration and will continue as such, as long as a closed border does not make it impossible.



- (c) Permanent migrations are fewer in number and can be absorb
 our society. They mean economic growth more than increase
 exploitation of natural resources. The stage theory of
 migration is not considered applicable in the Mexican case
- (d) The causes of migration are primarily push factors rather than pull factors. Hence, tighter enforcement would be of little avail and have disasterous consequences in the send ing countries.
- (e) Like the "restrictionists," the advocates of an open borde depend largely on I N S apprehension data.
- (f) Illegal aliens are seen as providing inputs into income an social security tax systems, and collecting little through income transfer payments.
- (g) The policies advocated include:
 - (1) amnesty or other legalization of the temporary worker flow to assure that it is controlled as a temporary migration.
 - (2) socio-economic aid, trade and investment, and foreigr policies designed to foster the development of sending countries and gradually reduce push factors.
 - (3) gradual restriction, if necessary, in the cases of migrant streams from countries other than Mexico, where the migration patterns have not yet become institutionalized.

The Carter proposal for handling the illegal worker proble is a compromise proposal between the two positions. It calls the employer sanctions and tighter border controls. It also calls



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for full amnesty with permanent residence and legal immigrant status for illegals living in the United States prior to 1970. A quasi-amnesty would be granted for those who arrived between 1970 and 1977; these illegals would be allowed to work in the United States, pay taxes, and cross the border freely for a period of five years.

The implications of the data and policy review in this chapter for youth employment policy will be discussed in the following chapter.



CHAPTER III

THE NEED FOR RESEARCH

A. What We Know

The highlights on the problem under study can be summarized as follows:

I. Similar jobs are taken by both youth and illegal aliens, but illegal aliens tend to be more mobile. Also, each group tends to concentrate in separate industries.

A fundamental issue is the relative employability of youth and illegal migrant labor. There is evidence to suggest that the American youth restricts his/her own competition. The factors influencing the employability of youth in jobs for which they might compete with illegal aliens are the aspiration of youth, even disadvantaged youth to career-oriented entry-level jobs, for which they lack training, and their limitations of time, commitments other than work, etc. They also have other options in the form of income transfer payments, military service and continued schoolery.

Illegal alien workers are highly desirable, young unskilled workers:

- a) They are generally industrious and responsible since they need work and do not have equal access to unemployment and other benefits.
 - b) They work for less money.
- c) In Spanish/English bilingual areas, such as Miami, speaking Spanish can become a competitive advantage for cer-



tain jobs traditionally occupied by Black youth.

There is some evidence to indicate that undocumented immigrants and green card commuter aliens depress wages in agricultural labor market along the Mexican-American border.

II. Theoretical models of youth unemployment do not generally give much weight to competition from immigrant labor. The main factors cited are urbanization, changes in the structure of the labor market, the effect of minimum wage laws, lack of skills and experience, lack of job information, and racial discrimination.

This is no direct evidence of job displacement of youth by aliens on a national or regional basis. However some authorities (in interviews) suggest that it does occur in certain contexts; direct competition is most likely to occur with out-of-school youth seeking full employment in the cities, and with rural youth in traditional agricultural youth labor markets. It is also possible that it occurs in some summer and part-time work.

- III. Legal immigrants, and illegals (of non-Mexican back-ground), are coming to the East, while jobs are moving to the Sunbelt. This intensifies the ethnic competition between Blacks and Hispanics and between legal Hispanics and illegals in this area.
 - IV. Illegal aliens probably impact youth labor markets most intensely in inner cities of Florida, of the mid-Atlantic



States, and of the Northeast and the Midwest States. Race is an all-important variable in determining impact. Black youth and Hispanic American youth of lower socioeconomic and educational class are most affected by the competition. There is a broad correspondence between their skills and those of young male undocumented workers (we don't know much about the girls), and some evidence to suggest that undocumented workers are more motivated, disciplined workers. There is also evidence to suggest that early job experiences of failure establish long-term patterns in careers of young people.

V. Farmwork is a key area to look for competition between undocumented aliens and disadvantaged youth from minority backgrounds. There are certain traditional markets for teenage agricultural labor -- e.g., apple picking in the Shenandoah Valley, vegetable harvesting on the Delmarva Peninsula, beans, and berries in the Pacific Northwest, shade tobacco in the Connecticut River Valley, for which illegals may be competing. The total number of farm labor jobs is decreasing and employment is overwhelmingly temporary and seasonal; hence competition is likely to be intensified.

Fast food places, restaurants, hotels, and resorts are large employers of disadvantaged minority youths. In certain areas, namely the border, in Southwestern cities, and Northeast and Midwest urban centers, illegal aliens are likely to be competing for these jobs.



- VI. Demographic data projections for the labor market of the 1980's and 1990's must be taken seriously in any long-range planning. According to the U. S. demographic profile, there will be no youth unemployment in 1985 and a labor shortage in 1990, since the number of youth in the population will be decreasing and the number of workers generally in the population of legal workers will be decreasing. The policy implications for this include that we may want to consider encouraging at least some of the alien labor currently provided by undocumented workers to stay in the country and that there may be need for job restructuring for existing jobs, such as work sharing and short-time compensation. However, this projection does not apply to minority youth since their members are expected to continue to expand.
- VII. Information on the impact of illegal immigration on youth unemployment is potentially significant for various types of programs or legislation:
 - ° social service programs and welfare reform
 - ° full-employment legislation
 - unemployment insurance and minimum-wage standards
 - ° CETA training programs
 - ° labor certification program
 - o presidential initiatives on illegal immigration



B. Gaps in Our Knowledge

The quality and quantity of data on illegal immigration and on youth unemployment is inadequate for establishing definitely if a relationship exists.

What we "know" about the impact of illegal immigration on youth unemployment is largely based on examining the similarities and differences between what we "know" about illegal immigrants, about youth unemployment and their partially overlapping labor markets. Unfortunately, the aggregate data on these topics, but particularly on the stock and flow of illegal aliens, constitutes a weak base for statistical analysis. A set of statistical procedures have been developed for measuring the impact of immigration on general unemployment (Cheswick, 1978) and has potential for relating illegal immigration to youth unemployment. (This is discussed, in detail, under the following section on research recommendations.) The basic problem however is that estimates based on measurements of estimates impacting estimates of interdependent variables result in models which need to be tested against empirical reality if they are to have any validity.

Some of the case study material we have is very valuable but we lack microstudies of sufficient variety and focused on the specific problem under study.

Perhaps the biggest single defect in our discussion of the labor market relationship between youth and illegal immigrants is that much of the generalizing about the latter is based on the Mexican migrant.



That information has some value for discussing ruralagricultural and southwestern urban industrial and service jobs, but is totally inadequate to the task of analyzing impacts of other Western Hemisphere and Eastern Hemisphere illegal immigrants on the youth labor markets of the great Northern and Eastern cities. Yet, it is precisely here that some of the most pernecious competition is likely to be discovered, if as "common sense" suggests, it does occur. These illegals speak more English, have better educations (some come in on student visas!), are much more likely to be here to stay. They tend to blend in, for protective coloration with their U. S. minority counterparts. They are more likely to compete for other than dead-end jobs, top governmental and school programs for their children, and to generally follow the stage model of immigration proposed by Ray Marshall. like the Mexican migrant who is to an undetermined extent returning to his home country, there is no question of their being temporary workers in the United States, and there is every evidence to suggest they are the begianing of a chain of migration which we will have difficulty controlling.

We also lack good policy studies to guide the development of youth employment efforts vis-a-vis possible competition. For example, do not know the extent of illegal alien participation in CETA training programs (personal note: It does occur). If in fact, the competition from aliens is primarily for dead-end jobs, what are the implications for youth programs?



Would it be to emphasize the upgrading of skills of our own youth? ... to match the impressive informal job information networks among illegals by providing "store-front" job information for youth? ... to crack down on employers? ... to coordinate our programs with the INS? It hasn't been thought through.

C. Research Priorities, Time and Budget Considerations

Given the vacuum of solid information on the impact of illegal immigration on youth unemployment, what course should _. be pursued by the Department of Labor in order to determine further the nature and extent of the relationship, given limited time and budgets? The following research needs should be considered:

Analysis of Residential Survey Data

Should the residential survey be completed and the data on undocumented workers appear to be of sufficient size, quality, and validity for microanalysis, a study which definitely should be placed on the Department of Labor research agenda, would involve the analysis of residential survey data relating to employment of undocumented aliens in geographical areas of high youth unemployment, in industries and types of jobs in which youth are competitive, and other relationships illuminating the impact of illegal immigrants on the youth labor force.

The priority of such a study is a function of the length of time elapsing before results become available. Data



several years old are of unknown current relavance due to the volability of illegal immigration in relation to economic upturns and downturns, foreign policy, and political upheavals of the Iranian variety. However, if this data should become available in the near-term future, the analysis we are recommending should be given a very high priority. As has been pointed out elsewhere in this report, the Government has already made the investment necessary to obtain these data, these are the only data from a statistically-valid sample of undocumented aliens residing in the United States, and considerable labor-market information was obtained from respondents. The only remaining task is to analyze the data from the standpoint of youth-employment issues.

Assuming minimal problems in the use of data tapes from the residential survey, we would estimate that such an analysis could be completed in a 3- to 6-month period, depending on the intensiveness of the effort, at a cost not to exceed \$50,000.



Statistical Impact Studies

To our knowledge, only one theorist, Barry S. Chiswick, an economics professor at the University of Illinois, has developed a methodology for estimating the impact of immigration (legal and illegal) on unemployment in the United States. (His paper (Chiswick, 1978) develops statistical procedures which, if implemented, give "hard data" on the magnitude and statistical significance of the effects of immigrants on U. S. unemployment. These procedures have the added advantage of being designed to be used with readily available data, with the exception of I N S residential survey data, which has not become available as anticipated at the time Chiswick wrote his paper. Chiswick develops

cross-sectional analysis procedures which can measure direct and indirect effects of immigrants on the unemployment rate; <u>i.e.</u>, the effects of their own unemployment and of their impact on unemployment among native population. In the cross-sectional procedures the unemployment experience of a person is related to his/her skill and demographic characteristics, and the characteristics of the area in which a person lives.

Using multiple regression analysis to control statistically for the person's skill and demographic characteristics, the coefficiants of the variables describing the person's own status measure the direct effect of immigrants on unemployment. The coefficients of the variable describing immigrants in the person's state measure the indirect effect of immigrants on unemployment. An equation measuring earnings of native population, and relating



the total set of variables including the relative number and characteristics of immigrants in the person's state, permits an estimation of the extent to which a greater concentration of immigrants depresses earnings in an area. 1970 Census can be used for all data needed for the cross-sectional analysis. Alien Adress Reports (I-53) and Residential Survey data (1978) can also be used, also the Survey of Income and Education (1976).

Chiswick also develops time-series nalysis procedures based on a macroeconomic framework and aggregate data. Current Population Survey data on unemployment rate is related to a set of variables that reflect cyclical and secular (long-term) changes in the economy and variables for the stock or flow of immigrants. The coefficients of the latter variables show the effect of immigrations on the U.S. unemployment rate.

Although time-series data do not exist for the stock or flow of undocumented aliens, there are data for apprehended undocumented aliens. The unemployment rate can be related to the relative number of apprehended undocumented aliens. Yet, the number of apprehensions may itself be influenced by the unemployment rate and changes in I N S policy. To statistically control for these latter influences, a three-equation model is developed in which three dependent variables are the unemployment rate, the relative number of apprehended undocumented Mexican aliens, and the relative number of apprehended undocumented non-Mexican aliens.

The three-equation system would be estimated simultaneously using a two-stage least squares procedure. The coefficients of



the predicted apprehension variables in the unemployment rate equation indicate the effects of additional (apprehended) undocumented aliens on the unemployment rate.

It seems to us that using Chiswick's model as a base, a model could be developed and the calculations made to specifically estimate the impact of the illegal component of immigration on the youth component of unemployment. In order to do so, the impact of illegal immigration on total unemployment would be calculated in order to give the lower bound for the impact of illegal immigration on youth unemployment which is higher than general unemployment. The calculation of the higher bound would be more problematic. It might be possible to break out data on women and youth to get the higher bound. There might also be a need to further develop statistical control procedures for the interrelationship between the number of apprehended aliens and the unemployment rate.

We estimate that a study to develop statistical procedures to apply Chiswick's model of estimating the impact of illegal immigration on youth unemployment would cost approximately \$100,000 to execute, perhaps more, depending on the precise nature of the task and the availability of residential survey data. The model so developed would have to be tested and refined on a known universe -- i.e., a community with really good data on the problems at hand in order to determine its empirical reliability. Such a study might take a year or more to complete.



Sample Survey and Representative Case Studies of Places of Employment Minority Youth vs. Illegal Aliens

It is strongly recommended in view of the estimated nature of much of the data and the raging controversies as to the impact of illegal aliens of the job market of disadvantaged and youth, that priority be given to funding a sample survey of employers and accompanying in-depth case studies of a small number of labor markets which have been singled out as offering high probability of direct or indirect competition between aliens and youth. choice of case industries could be based on a stratified sample of industries which have been previously surveyed to determine their salient characteristics. For example, lists of employers in certain presumed high-impact industries -- hotels, restaurant chains, low-wage munufacture, etc., could be developed in areas which have high alien impact and high youth joblessness, a sample of each type could be surveyed using a census-type data collection instrument, and then industries or firms showing potential for study would be chosen for in-depth case study. Representativeness in terms of the major geographic regions, and rural-urban environments would affect selection. For example, a list of types of work places to receive high priority could be developed on this basis:

- 1. a Southwest urban industry or service
- 2. agricultural employment in the rural border area
- 3. restaurants, fast food places and hotels in Eastern cities



- 4. small scale or marginal manufacturing industries in the Northeast
- 5. Others to be elaborated.

While such a series of approximately ten case studies of place of employment would not be totally representative, in the statistical sense, of the processes at a work-job displacement, depression of wages-etc., it would fill our critical need to understand the empirical interrelationships between the phenomena we seek to study in at least a limited number of fairly representotive instances which would have very clear policy implication. Some of the things to be incorporated in the case-studies would be:

- ° attitudes of employers to illegals, youth.
- attitudes of employees -- why they took jobs, why they left.
- historical reconstruction of the changing patterns of employment, of the substitution of native labor for foreign labor and its causes.
- analysis of the pressures on employers to employ illegal aliens.
- o the different employment patterns of Mexican and non-Mexican illegals, minority youth.
- ° the employability of youth labor.

A study of the type I am recommending would require at least a year, probably two years to complete. I would recommend that a consortium of scholars with expertise in the problem could be involved in the development and implementation of the research strategy, possibly by contracting and subcontracting arrangements,



but that one reputable and established scholar and institution be given the authority and responsibility of coordinating the study from planning to final write-up.

A "guestimate" of the cost of such a study would be approximately \$200,000. Although expensive, such a study would offer, for the first time, the kind of information needed to resolve the issues at stake and get on with business of policy planning to resolve problems.

A Youth Training and Employment Futural Study with Policy Recommendations

Since the shape of future youth unemployment is expected to change so drastically in the years ahead, a futural, policy-oriented study based on youth labor market projections and a sort of Delphi technique or seminar approach to eliciting expert opinions is suggested.

A focus of the exchange of expert opinions should be the policy implications of the impact-oriented studies. hat should be done in the employment and training area in light of the impact studies? ... in light of changed immigration policies? Will amnestied youth form part of the target population?

Such a study would have the advantage of being relatively short-term and inexpensive; in the range of a few months and approximately \$25,000.



D. Conclusions and Recommendations

This study reviews available information concerning the impact of illegal immigrants on youth unemployment, which is inadequate in many areas, and documents these inadequacies. is concluded that there is a need for further research, and suggests that the priority should be placed on in-depth case study and sample surveys of specific industries which traditionally have offered youth employment, and may be impacted by illegals, controlling for geographic region, level of youth unemployment, and level and type of illegal alien population. Other research needs identified by this study include, in order of priority, the development of a statistical model, using the work of Chiswick (1978) as a base, specific to estimating the impact of illegal immigration on unemployment of youth and a youth training and employment futural study with policy recommen-The priority to be placed on the analysis of I N S residential survey data will depend on how soon it becomes available.

It is further recommended that the Department of Labor continue its initiative toward taking a broader view of employment problems and policies for youth. Immigration, employment, technological change, investment, energy and trade are interrelated. The current study is an advance over the past tendency to view immigration and youth unemployment as separate phenomenon. But the commitment to taking a systematic approach must be continued.



Toward that end, cognizance should be taken of the newly created select commission on Immigration (authorized by Congress by enactment of H. R. 12443, signed by President Carter on October 5, 1978, as Public Law 95-412, went into effect January 1, 1979). Consideration should be given by the Department of Labor to the development of some form of on-going communication and coordination with the commission concerning problems of mutual concern.



ANNOTATED BIBLIOGRAPHY OF SELECTED SOURCES

<u>Bibliographies</u>

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Contains descriptions of and ordering information for recent publications on (1) the extent of unemployment, (2) the causes and proposed solutions, (3) evaluation of training programs, and (4) the effect of minimum wage legislation.

U. S. Congress, House Committee on the Judiciary, <u>Illegal</u>
<u>Aliens and Alien Labor: A Bibliography and Compilation of Background Materials</u> (1970-June 1977), 95th Cong., 1st Sess., Committee Print No. 9, Washington, August 1977.

A 58-page annotated bibliography, prepared by the Congressional Reference Service, which covers not only official documents, books, articles, and research reports, but also State laws relating to employment of illegal aliens, and U. S. Supreme Court decisions relating to aliens.

U. S. Department of Justice, Immigration and Naturalization Service, <u>Selected References</u> on <u>Undocumented Aliens</u>, Washington, November 1977.

Prepared for I N S by D. A. Lewis Associates, Inc., the publication, in addition to bibliographical listings of periodicals and newspapers frequently carrying articles on population movements, immigration issues, and the undocumented-alien situation; organizations with an ongoing interest in population and immigration research and analysis; immigrant-serving organizations; and data requirements for a systematic presentation of information needed to obtain a comprehensive picture of the undocumented-alien situation.

U. S. Department of Labor, Employment and Training Administration, Research and Development Projects, Washingt n 1977.

Latest edition of an annual publication providing descriptions of research supported by grant or contract by the Department of Labor. Two of the major headings are "The Labor Market" and "Economic and Social Policies."



SOURCES

Adams, -Arvil V., and others, <u>The Lingering Crisis of Youth Unemployment</u>, Kalamazoo: W. E. Upjohn Institute for Employment Research, 1978.

This study seeks answers to the following questions:
(1) What are the dimensions of youth unemployment and its underlying causes, its personal and social consequences? (2) Is the problem merely a phase through which everyone passes in the career development process, with no one suffering long-term effects? (3) Is the priority given to measures aimed at reducing youth unemployment warranted?

Briggs, Vernon M., Jr., <u>Chicanos</u> <u>and Rural Poverty</u>. Baltimore, John Hopkins University Press, 1973, 81 p. (Policy studies in employment and welfare, no. 16).

Includes an analysis of, among other factors, the impact of the bracero program, illegal aliens, and commuters on the Chicano population in the rural Southwest.

Briggs, Vernon M., Jr., <u>Illegal Immigration and the American</u>
<u>Labor Force: the Use of "Soft" Data for Analysis</u>, American Behavioral Scientist, v. 19, Jan.-Feb. 1976: 331-363.

Inquires into the evidence on illegal immigration and its impact on the U.S. labor force.

Briggs, Vernon M., Jr., Mexican Migration and the U.S. Labor Market: A Mounting Issue for the Seventies. Austin, University of Texas, 1975, 37 p. (Studies in numan resources development, no. 3).

Analyzes the effects of U.S. labor, immigration, and border policies, along with their enforcement, on employment and labor problems of the seventies and suggests alternative courses of action, including criminal sanctions against employers who hire illegal aliens, increased resources fo I N S, and financial and technical aid to Mexico.

Policy and Chicano Economic Welfare. Austin, University of Texas, 1974, 28 p. (Studies in Human Resource Development, no. 2).

This study ... shows how the economically depressed status of the low-income and particularly the Chicano population on the U. S. side of the Mexican border results in part from present U. S. border labor and immigration policies.



Briggs, Vernon M., Jr. <u>Mexican Workers in the United States</u>
<u>Labour Market: A Contemporary Dilemma</u>. International Labour Review, v. 112, Nov. 1975: 351-368.

Believing that the present situation, which harms United States workers as well as the immigrants themselves, could soon become uncontrollable, the author suggests a number of reforms Washington might introduce to assist in the smooth integration of legal immigrants, to combat illegal immigration far more vigorously and to reduce the push effect by helping to strengthen Mexican industry.

Bustamente, Jorge A. <u>Structural and Ideological Conditions of the Mexican Undocumented Immigration to the United States</u>.

American Behavioral Scientist, v. 19, Jan.-Feb. 1976: 364-376.

Outlines basic Marxian theory regarding "labor power" and "surplus value, 'and applies it to explain historically the conditions of immigrants in the United States, focusing particularly on the Mexican undocumented alien.

Chiswick, Barry R. "Methodology for Estimating the Impact of Immigration on Unemployment in the United States." Report prepared under Immigration and Naturalization Service Contract C D-78 525.

Develops a statistical procedure for estimating the impact of immigrants on unemployment. Several cross-sectional and time-series estimating procedures are developed for readily available data from the Department of Commerce and Immigration and Naturalization Service. One weakness is it assumes the availability of I N S Presidential Survey Data which has not and may not be made available.

Cornelius, Wayne A., Mexican Migration to the United States:
Causes, Consequences and U. S. Responses, Migration and
Development Study Group. Center for International Studies,
Massachusetts Institute of Technology, Cambridge, Massachusetts 02139 1978.

This book updates and synthesizes the author's previous work on causes consequences and responses of the U.S. vis-a-vis Mexican immigration. It contains an articulate well reasoned data based argument for the open border position which raises serious question as to whether illegal Mexican immigrants compete with natives. Key points made include underestimation of the return migration to Mexico and positive impacts on the job market.

Immigration Ethics, An Examination of American Law and the Special Relationship Between the United States and Mexico, World Issues, Center for the Study of Democratic Institutions, February/March 1978.

In "The Limits of Sharing" pp. 5-10, by Garrett Harden, he is trying to lay an ethical foundation for his position that the American people want to stop illegal immigration. This article makes a case against unrestricted immigration in a crowded world. The second article "What Is and What Might Be," by Jorge A. Bustamente, focuses on the ethics of what is, rather than of what ought to be. He distinguishes between the ethics of U. S. law and the process of creating it. Otis L. Graham, Jr., comments on ethical ground for a restrictive immigration policy in "Alternatives and Implications."

Kalachek, Edward. The Youth Labor Market, Washington, D. C., January 1969.

This paper is designed to review and evaluate existing literature on the employment, unemployment, and labor force participation of teenagers and other young workers; to summarize what is now known; and to identify areas where additional research is needed and feasible.

Lesko Associates. Final Report: Basic Data and Guidance Required to Implement a Major Illegal Alien Study During Fiscal Year 1976. Oct. 15, 1975, 60 p.

Estimated the mid-1975 Mexican illegal alien population at 5,222,000 and, using the Delphi process, the total illegal alien population at 8,180,000. (See discussions by the U.S. Bureau of the Census, and the U.S. Library of Congress, Congressional Research Service.)

Prepared for the Office of Planning and Evaluation, Immigration and Naturalization Service, U. S. Department of Justice.

Mincer, Jacob. "Unemployment Effects of Minimum Wages."

<u>Journal of Political Economy</u>, August, 1976, Part 2. pp.

<u>S87-S104</u>.

This study explores the analytical and empirical distinction between the employment and unemployment effects of minimum wages. The author finds that the largest increase in unemployment was experienced by nonwhite males (20-24), followed by nonwhite teenagers, white males (20-24) and white teenagers.



Cornelius, Wayne A. and Juan Diez-Canedo. Mexican Migration to the United States: The View from Rural Sending Communities. Center for International Studies, Massachusetts Institute of Technology, Migration and Development Study Group. C/76-12, June, 1976.

The original focus of the project was on internal migration, but we soon discovered that at least 40% of the out-migration from the communities under study was movement to the U.S. rather than to other localities in Mexico. We estimate that about 70% of this movement to the United States is of an illegal nature.

The research reported here has been supported by the International Program for Population Analysis, Smithsonian Institution, and the Center for Population Research, National Institute of Child Health and Human Development.

Cornelius, Wayne A. <u>Illegal Mexican Migration to the United States: Recent Research Findings, Policy Implications, and Research Priorities</u>. Center for International Studies. Massachusetts Institute of Technology, Migration and Development Study Group C/77-11 May 1977.

Ferman, Louis A. <u>Disadvantaged Youth: Problems of Job Placement</u>, <u>Job Creation</u>, <u>and Job Development</u>.

This book places major concerns in the development of special programs to meet employment needs of disadvantaged youth. It identifies certain areas in which a school-to-work transition program would be most useful. He also feels it is necessary to re-examine old techniques as well as to assess the feasibility of the new.

Graham, Otis L. "The Problem That Will Not Go Away: Illegal Immigration." Center Magazine, July/August 1977, pp. 56-80.

The problem of Illegal Immigration is presented as having a history of being pushed into the background until the late 1960's. Graham points out push/pull factors and how they have contributed to worsen the situation and, also, how these factors can be used to remedy the problem.

Huss, John D., and Melanie J. Wirken. "Illegal Immigration: the Hidden Population Bomb." Futurist, v. 12, Apr. 1977: 114-120.

After defining the problem of illegal aliens and analyzing their impact on the United States, particularly on population growth, the authors outline the various policy options and suggest solutions.



National Council for Employment Policy, <u>Illegal Aliens</u>: <u>An Assessment of the Issues</u>, Washington, October 1976.

This report is comprised of (1) a policy statement by the National Council on Employment Policy on public policies toward alien workers, (2) a conference summary which includes an overview and institutional, immigrant group and employer and union perspective and (3) five background papers, including: Michael J. Piore, "Illegal Immigration in the United States: Some Observations and Policy Suggestions"; David S. North and Marion F. Houston, "A Summary of Recent Data On and Some of the Public Policy Implications of Illegal Immigration"; Ray Marshall, "Employment Implications of the International Migration of Workers"; Gilbert Cardenas, "Illegal Aliens in the Southwest: A Case Study"; Joyce Vialet, "Legislation Concerning Illegal Aliens."

North, David S., and William G. Weissert. <u>Immigrants and the American Labor Market</u>. Washington, TransCentury Corporation, 1973. 208 p.

The principal findings of the study are that immigrants make a substantial but uneven, impact on the labor market, that this impact is greater than previously supposed, and that immigrants are now closer to the American norm, in demographic terms, than they were fifty and sixty years ago ... The crucial variable of job success is the command of the English language.

North, David S., and Marion F. Houstoun. The Characteristics and Role of Illegal Aliens in the U.S. Labor Market: An Exploratory Study. Washington, Linton and Co., Inc., Mar. 1976. 181 p.

The purpose of this study was to gather, for the first time, information on the demographic characteristics, country of origin, employment history, wages and participation in public services of illegal aliens in the U.S., and to examine the manpower policy implications of an analysis of the data on illegals. Based on interviews with 793 illegals, the report concluded that "the major immediate impact of illegals in the U.S. today is probably on the labor market."



Piore, Michal J. A Plan to Slow the Flood of Illegal Aliens. Business Week, no. 2393, Aug. 11, 1975: 67-68.

Explains a plan which Frank W. Considine, President of National Can, has introduced, in which business takes the leadership role in aiding I N S apprehend illegal aliens. National Can routinely invites I N S to inspect plants for illegal aliens.

Piore, Michael J. <u>Illegal Immigration in the United States:</u>
Some Observations and Policy Suggestions. National Council on Employment Policy, Oct. 1976: 25 35.

Argues that industrial nations generally have jobs which foreign laborers are willing to accept. Outlines certain problems illegal immigrants cause in light of the above process; argues for institutionalization of temporary work visas; explores the structures necessary to implement the goals; and describes the present institutional structures and their shortcomings.

Piore, Michael J., <u>Impact of Immigration on the Labor Force</u>. Monthly Labor Review, v. 98, May 1975: 41-44.

Suggests that the increase in immigration to the United States, both legal and illegal, in recent years is due to the lack of labor supply in the "secondary sector," a term used to characterize jobs which tend to have low wages, poor working conditions, instability, little opportunity for advancement, and few skill requirements.

Piore, Michael J. <u>The Illegals</u>: <u>Restrictions</u> <u>Aren't the Answer</u>. New Republic, v. 172, Feb. 22, 1975: 7-8.

Recounts, in summary, findings of a study he did in which he attempted to answer the question, "why did a massive migration of aliens (including illegals) suddently begin in the late 1960's and early 1970's and not two or three decades earlier?" In eight of his findings he claims that enactment of sanctions against employers who hire illegals will only "shift the balance of risk in favor of ignoring all Federal labor regulations."



Report on youth unemployment submitted to President Carter by Secretary Marshall." <u>Daily Labor Report</u> (Bureau of National Affairs, Inc., 1231 25th St., N. W., Washington, D.C. 20037), September 8, 1977. pp. D-2-D 5.

Lack of experience and work skills, and for minority youth, concentration in urban centers, are cited as the major causes of unemployment among young workers. The report includes brief descriptions of the provisions of the Comprehensive Employment and Training Act and other manpower programs. Statistics on unemployment at mid 1977 are given.

Samora, Julian. <u>Los Mojados</u>: <u>the Wetback Story</u>. Notre Dame, University of Notre Dame press, 1971. 205 p.

With assistance of Jorge A. Bustamente F., and Gilbert Cardenas, an in-depth analysis of the illegal alien problem, including its history, relation to U. S. immigration policy, and impact on the U. S., Mexico, and the individuals involved. The author concludes that the "wetback" was created by both countries, "and both governments must seek a solution to the problem ... For the U. S. this means fining employers of illegal aliens, revising regulations concerning social security cards, establishing minimum wages and a citizenship card, expanding the Immigration and Naturalization Service, restricting labor certification, more effective prosecution of aliens and smugglers of aliens and restricting the issuance of border-crossing permits as well as keeping a record of their use."

Twentieth Century Fund. Task Force on Employment Problems of Black Youth. <u>Job Crisis for Black Youth</u>. New York, N. Y., Praeger Publishers. 1971. 135 pp.

A background paper by Sar A. Levitan and Robert Taggart reviews the disparities between imployment patterns of white and black youth in the ghetto. They identify the sociological, cultural and educational factors which affect the employment of young ghetto blacks. The Task Force discusses alternative strategies to improve the employment situation of black youths.



U. S. Congressional Budget Office. Policy Options for the Tee Age Unemployment Problem. Washington, D.C. 20402. Superir dent of Documents, U. S. Government Printing Office. 1976.

This paper assesses the extent of teenage unemployment and comments on the diverse characteristics of this group Among the causes for the high unemployment are the impact of the recession, changes in population, declining military manpower requirements, market regulations such as minimus wage and child labor laws, inadequate education and training, and racial discrimination. The report outlines policy options.

U. S. Congressional Budget Office. Report of Congressional Budget Office Conference on the Teenage Unemployment Proble What Are the Options? Washington, D. C. 20402. Superinte dent of Documents, U. S. Government Printing Office. 1976. 69 pp.

The six papers presented at the conference discussed the nature and causes of teenage unemployment. Ralph Smith points out that a disproportionate share of the loss of jobs from the recession has been borne by teenagers and emphasizes that macroeconomic policies alone will not substantially improve the employment rate of younger workers. The paper by Barnard E. Anderson stresses that the job market for non-white youth is much worse than fo whites. Two papers by James E. Coleman and Richard B. Freeman focus on issues and options in the role of schoo in alleviating the teenage unemployment problem. Beatri Reubens presents an international comparison of unemployment rates for young workers and comments on youth progrin other countries. Sar A. Levitan suggests various programs to help unemployed youths.

U. S. Department of Labor, Employment Standards Administratic Groups With Historically High Incidences of Unemployment. Washington, D. C. 20211. The Administration. 1977. 50 pt

Statistical tables, with brief introductory comments, sl changes from 1967 to 1976, in the civilian labor force, unemployment rates by age, sex, color and occupation, an reason and duration of unemployment.



U. S. National Commission for Manpower Policy. From School to Work; Improving the Transition. Washington, D. C. 20402.
Superintendent of Documents, U. S. Government Printing Office. 1976. 309 pp.

The papers in this volume were prepared to assist the Commission in formulating policies for dealing with the employment problems of young workers. Paul E. Barton provides an overview of the social and economic problems of the transition from school to work. Marcia Freedman discusses the typical occupations and industries where young workers have traditionally found jobs. A staff report presents the findings of a survey of three large companies with respect to their experience with employing this age group. The findings of the National Longitudinal Survey of the labor market experience of young men and women are summarized by Herbert Parnes and Andrew Kohen. Ralph Tyler finds that nearly one-quarter of the population lacks the basic skills to function effectively at work. Robert Taggart assesses the effectiveness of various federal employment and training programs. Some of the approaches tried by various communities to ease the transition to work are described by Dennis Gallagher. Seymour Wolfbein discusses the types of counseling and labor market information which young people need. Apprenticeship and training and its potential for reducing unemployment is considered by Ernest Green. F. Ray Marshall discusses the special problems of rural youth. Beatrice Reubens describes programs in other countries which have lowered the unemployment rate of young workers.

U. S. Congress, House Committee on the Judiciary, <u>Illegal Aliens</u>
Analysis and Background, 95th Cong., 1st Sess., Committee
Print No. 5, Washington, June 1977.

This paper is intended as a review and analysis of a number of issues relating to the legislative debate during the 95th Congress. The useful information in this report includes a summary of research on the labor market impacts of illegal aliens, and an exposition of current policy issues, and a historical analysis of Mexican immigration to the United States.

U. S. Congressional Budget Office. <u>Budget Options for the Youth Unemployment Problem</u>. Superintendent of Documents, U. S. Government Printing Office, March 1977.

Review and analysis of current programs and policies concerning the problems of youth employment with a statistical and historical overview of youth populations in relation to unemployment rates.



U. S. Congressional Budget Office. <u>Policy Options</u> for the <u>Teenage Unemployment Problem</u>. Washington, D. C. Superintendent of Documents, U. S. Government Printing Office. 1976.

This paper assesses the extent of teenage unemployment and comments on the diverse characteristics of this group. Among the causes listed are the impact of the recession, market regulations such as minimum wage and child labor laws, inadequate training and education, and racial discrimination. The report also contains an outline of some policy options.

U. S. Congressional Budget Office. Report of Congressional Budget Office Conference on the Teenage Unemployment Problem: What Are The Options? Washington, D. C., Superintendent of Documents, U. S. Government Printing Office, 1976.

The six papers presented at the conference discussed the nature and causes of teenage unemployment. Ralph Smith emphasizes the fact that macroeconomic policies alone will not alleviate the unemployment problems of younger workers. The paper by Barnard E. Anderson stresses that the job market for nonwhite youths is much worse than for whites. Two papers by James E. Coleman and Richard B. Freeman focus on issues and options in the role of schools on improving youth employment. Beatrice Reubens presents an international comparison of unemployment rates for youths and Sar A. Levitan suggests various programs to help unemployed youths.

Wachter, Michael L., "Second Thoughts About Illegal Immigrants, Fortune, May 22, 1978, pp. 80 ff.

The article focuses on some reasons and causes for the displacement of the American youth labor market with illegal alien workers. He also states that the low birth rate of the 60's may actually create more demand for illegals.

Weaver, Thomas and Theodore E. Downing. <u>Mexican Migration</u>. Tucson, Ariz., University of Arizona, 1976. 241 p.

"This report represents the United States' portion of a binational project funded jointly by the National Science Foundation and Mexico's Consejo Nacional de Ciencia y Techologia. The purpose of the project was to establish a comprehensive view of migration of Mexicans. We investigated the patterns of movement of migrants within Mexico (between states and regions) and between Mexico ar the United States and the social and economic factors correlated with these movements which might assist in predicing future migrations."

THE INTERNATIONAL CONTEXT OF THE MIGRATION OF WORKERS ADDITIONAL BIBLIOGRAPHIC NOTES

Note 1 <u>International Economic Theory</u>

Unfortunately, the decision had to be made to limit this study primarily to its national context within the United State. The authors of this report feel it is necessary to highlight the fact that the international comparative perspective has much to offer anyone interested in seeing the growth of illegal immigration in the United States in proper perspective.

One concept of considerable relevance for generating researchable hypotheses on the labor market impact is the Hecks Ohlin theorem, the logic of which may be stated as follows:

- · Products differ in factor requirements.
- ° Countries differ in factor endowments.
- ° Capital-abundant countries will tend to specialize in capital-intensive goods.
- Labor-abundant countries will tend to specialize in labor-intensive goods.
- Trade will be based on differences in factor endowments and will serve to relieve each country's factor shortag
- ° Free trade will tend to equalize factor prices across the participating countries.

(For purposes of following discussion, Fewmen = a capital intensive country, Manymen = labor-intensive country.)

"Suppose that products cannot move between the countries. Wages will be higher in Fewmen and Manymen; and if there were no travel costs, workers would migrate from Manymen to Fewmen. If, further, this migration were to continue



as long as wage rates differed, it would render the two countries very much alike. Fewmen would wind up with as many machines and very much more labor than it had to start with, but the ratio of manyears to machines would be exactly equalized in the two countries. This is because the wage-rate differential causing migration would persist for as long as the ratio of manyears to machines were lower in Fewmen than in Manymen. It would only vanish when the ratios were equalized. Free trade can sometimes substitute for international moves of labor and capital. Factor moves and free trade each serve to reduce differences in factor prices. Factor moves do so by erasing differences in national factor endowments. Free trade does so by offsetting those differences. Trade eliminates the need for a redistribution of production factors by reallocating economic tasks. It allows every country to make the best of its own factor endowments." (See Peter B. Kenen and Raymond Lubitz, International Economics, Englewood Cliffs, N.J., 1971, pp. 50-55.)

Note 2 <u>International Labor Organization</u>

Since the 1.L.O. is chiefly concerned with raising labor standards and improving working conditions, its focus recently has been on the employment situation in developing countries. However, as many of the unemployed migrate to industrialized nations, the problems on both sides of the border are of significant interest to the I.L.O. and its research and actions are relevant to this study.



In June 1976, a World Employment Conference I.L.O. was held in Geneva and produced a <u>Declaration of Principles and Pr Gramme of Action Adopted by the Tri-partite World Conference of Employment, Income Distribution and Social Progress and the Innational Division of Labour, Geneva, 4-17 June 1976. While the statements in this document are ideal goals and international scope, they indicate some perspectives relevant to this study. Under the title <u>Strategies and Policies to Create Full Employmand to Meet Basic Needs in Developing Countries</u>, one idea is to development of human resources through education and vocational training. Under Social Policies, the sub-title <u>The Young</u>, and Aged, and the <u>Handicapped</u> sets forth the principle of non-disciplination and fair working conditions for youth.</u>

Under <u>International</u> <u>Economic Cooperation</u>, "increase mutu economic cooperation between countries with different social a economic systems"--(this might mean a common market between th U.S. and Mexico.)

Under <u>Recommendations</u>, member states are requested to Ru nish specific data before the end of the decade which will be used for a report to an annual conference. The data requested is: (a) a quantitative evaluation of basic needs for the lower income groups within their population, preferably based on the findings of a tri-partite commission established for the purpo and (b) a description of policies, existing and in preparation in order to implement the basic-needs strategy.



Numerous recent I.L.O. and European Economic Community articles and studies identify potential avenues for future poldevelopment. A few of these are listed below.

The I.L.O. bulletin <u>Information</u>, Vol. 4, No. 3, 1976, has an article by Professor Tamas Szentes entitled, "The Need for a New Pattern of the International Division of Labor." This wou call for a radical restructuring of production and consumption patterns. A study equally provocative offers a criticism of traditional employment policies in R. Rifflet, "Employment Pol Prospects in European Communities," <u>International Labor Review</u> No. 2, March/April 1976. Under the title, "European Migration in 2000," a summary is given in <u>Information</u> of a study entitle "Future Demand for Migrant Workers in Western Europe" by W. R. Bohning, I.L.O. WEP Working Paper, Geneva 1976.

The future demand for undesirable jobs now being performing by youth and illegal aliens may be less than today by the 1980 according to an article by Christian Dufour, "Unpleasant or Tedious Jobs in the Industrialized Countries," <u>Internationa Labor Review</u>, Vol. 117, No. 4, 1978. In the U.S., 10.1 million workers or 13.1% of the labor force are engaged in repetitive. There is a growing reluctance to accept these jobs and they has a high absenteeism and turnover rate which runs as high as 50% among young employees. Migrant labor will take these jobs whi are turned down by nationals according to Dufour.

The Bureau of Labor Statistics and Special Studies of the I.L.O., in a recent survey of 20 nations, has found that t



job outlook for young people under 25 has deteriorated practically everywhere.

A general treatment of children and youth is found in Children at Work, A I.L.O. Policy Framework for the Internation Year of the Child, 1979, Geneva 1978.

Other I.L.O. sources of interest are: Working Paper on Migrant Workers in Latin America, No. 31, 1974, Geneva I.L.O.; Conditions of Work and Life of Migrant and Seasonal Workers

Employed in Hotels, Restaurants and Similar Establishments, 19; (HR 5/2/11) Geneva, I.L.O.; Special Youth Employment and Train Schemes for Development Purposes, 1968 (this paper was the bas for adopting by the International Labor Conference of Special Youth Schemes Recommendation, 1970, No. 136); Yves Sabolo, The Service Industries, 1975, Geneva I.L.O.

The studies by the I.L.O. are of particular relevance to research that seeks models of transnational utility. An indepth analysis might reveal policy and administrative patterns that could be replicated for American use.



PERSONS INTERVIEWED DURING EXPLORATORY STUDY

- Robert Ainsworth, National Commission for Manpower Policy
- Walter Fogel, Professor of Industrial Relations, University of California at Los Angeles, Consultant to Immigration Task Force
- Richard Johnson, Special Assistant to the Assistant Secretary for Policy, Evaluation, and Research, U.S. Department of Labor
- Carol Jusenius, National Commission for Manpower Policy
- Melanie Wirken McClintock, Immigration Task Force
- Doris Meissner, Deputy Associate Attorney General, U.S. Department of Justice
- Jay Merrill, Deputy Director, California Office, Southwest Border Regional Commission
- David North, TransCentury Foundation
- Ellen Sengal, Program Officer, Office of Planning Evaluation, and Research, Employment and Training Administration, U.S. Department of Labor
- Burt Barnew, Program Officer, Department of Labor
- Wayne Cornelius, Associate Professor of Political Science,
 Massachusetts 'nstitute of Technology
- R. Thayne Robson, Director, Human Resources Institute, University of Utah
- Steven Seninger, Associate Director, Department of Economics, Massachusetts Institute of Technology
- Michael Piore, Associate Professor, Department of Economics, Massachusetts Institute of Technology
- Vernon M. Briggs, Jr., Professor, Department of Personnel and Human Resources Management, New York State School of Industrial and Labor Relations, Cornell University
- Contey H. Dillon, Professor Emeritus of Government and Politics, University of Maryland
- Barry Chiswick, Professor of Economics, University of Illinois, Chicago Circle

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GUIDE FOR SEMI-STRUCTURED INDIVIDUAL AND SMALL GROUP INTERVIEWS

- A. Theoretical and Conceptual Background
 - Theoretical references helpful in understanding determinants of youth labor markets
 - -- in United States
 - -- elsewhere
 - -- any which deal specifically with impact of illegal immigrants
 - 2. Good historical reconstructions in the literature of what has shaped labor markets for youth over any period of time--that is, good analytical models
 - 3. Ongoing research on youth employment, illegal immigration
- B. Policy Relevance of Findings on Impact of Illegal Immigration on Youth Employment
 - Key issues for policy making and data needed to form decisions intelligently
 - 2. Implications of pending legislation and reorganization proposals
- C. Facts, Observations, Ideas, Opinions
 - 1. Variations of impact of undocumented aliens on youth
 - 2. Trends and future developments seen as affecting the situation

